

**REMARKS**

Claims 1-153 are pending. Selected claims have been amended. No claims have been cancelled or newly added. In view of the foregoing amendments and following remarks, reconsideration and allowance of all the claims pending in the application is respectfully requested.

**Rejections Under 35 U.S.C. §103**

Claims 1-5, 9, 10, 14, 15, 23, 29-40, 42, 44, 45, 49, 50, 58, 64-71, 73, 74, 77-81, 84, 85, 87, 88, 91-97, 100, 102, 104, 105, 108-112, 115, 116, 118, 119, 122-128, 131, and 133-148 stand rejected under 35 U.S.C. §103(a) as allegedly being unpatentable over Barzilai et al. U.S. 6,012,045 (“Barzilai”) in view of Leonard et al. U.S. 5,903,874 (“Leonard”). Applicants traverse this rejection on the following basis.

Independent claim 1 recites, *inter alia*, “enabling one or more businesses to post on the web-site one or more items for auction wherein the one or more items are valid for use during the non-peak demand period.” Independent claims 36, 71, and 102 recite similar features. Barzilai and Leonard, either alone or in combination, fail to teach or suggest these features.

The Examiner relies on Barzilai to teach posting one or more items for auction. However, Barzilai discloses an on-line auction system in which a system operator must post items for auction. Barzilai discloses that the system operator locates suppliers and manufacturers for the products to be offered for electronic bid. *See* Barzilai col. 8, lines 51-54. Barzilai further discloses that the system operator assembles photographs or illustrations of the goods or products to be auctioned on line. *See* Barzilai col. 9, lines 29-35. The system operator then sets an open, close, and bid acceptance date. *See* Barzilai col. 10, lines 58-61. Thus, Applicants submit that the system in Barzilai, requires a system operator to post the products for auction on the system. Therefore, Barzilai’s system does not enable one or more businesses to post on the web-site one or more items for auction, because a system operator must do so. As a result, Barzilai is deficient, because Barzilai does not teach or suggest enabling one or more businesses to post on the web-site one or more items for auction. Applicants submit that Barzilai and Leonard, both alone and in combination with one another, fail to teach or suggest the claimed invention.

Independent claim 1 further recites “awarding the winner the item, wherein the item is redeemable for service by a corresponding one of the one or more businesses during the non-peak demand period, whereby the winner of the item obtains a discount from the predetermined price during the non-peak demand period and non-winners pay the predetermined price without the discount during the non-peak demand period,” among other things. Independent claims 36, 71, 102, 133, and 153 recite similar features. Barzilai and Leonard, either alone or in combination with one another, fail to teach or suggest these features.

The Examiner acknowledges that Barzilai “do not teach that the item is for a discount from a predetermined price for a period of time corresponding to a non-peak demand period.” *See Office Action page 3, first paragraph.* The Examiner relies on Leonard to disclose these features. In particular, the Examiner takes the position that:

“Leonard et al teach a coupon that provides a discount from a predetermined price during off-peak hours (see col. 5, lines 47-60). It would have been obvious to one of ordinary skill in the art at the time the invention was made to employ the coupon of Leonard et al with the invention of Barzilai et al to gain customers.” *See Office Action page 3, first paragraph.*

Applicants submit that Leonard does not teach or suggest awarding the winner the item, wherein the item is redeemable for service by a corresponding one of the one or more businesses during the non-peak demand period, whereby the winner of the item obtains a discount from the predetermined price during the non-peak demand period and non-winners pay the predetermined price without the discount during the non-peak demand period.

Rather, Leonard discloses a central coupon management facility containing a database of all issued coupons and their promotional characteristics. *See Leonard col. 1, lines 57-59.* Leonard further discloses that promotional coupons are typically issued in order to encourage new customers to try the goods or services of the company. *See Leonard col. 1, lines 14-16.* For example, coupons can be used to enforce trial periods or a free number of telephone calls with a telecommunications carrier. *See Leonard col. 1, lines 21-22.*

Thus, Leonard’s system appears to offer a promotional coupon to any new customer that is willing to try the promoted good or service. Because Leonard’s system is not at all selective in the manner that it distributes the promotional coupons, Leonard can not teach or suggest awarding the winner the item whereby *the winner of the item obtains a discount from the*

*predetermined price and other non-winners pay the predetermined price without the discount.*

As a result, Leonard does not compensate for the deficiencies of Barzilai. Applicants submit that Barzilai and Leonard, both alone and in combination with one another, fail to teach or suggest awarding the winner the item, wherein the item is redeemable for service by a corresponding one of the one or more businesses during the non-peak demand period, whereby the winner of the item obtains a discount from the predetermined price during the non-peak demand period and non-winners pay the predetermined price without the discount during the non-peak demand period.

Furthermore, Leonard does not disclose offering a discount on a service that is offered at a predetermined price. As set forth above, Leonard is directed to issuing promotional coupons for telecommunications service. However, prices for telecommunications services typically vary during peak periods and off-peak periods. Because off-peak hours for telecommunications services are typically offered at a price lower than a predetermined price for peak usage, a user of Leonard's promotional coupon is offered a discount on a service that has already been offered at a discount off of the predetermined price. However, other non-users of the promotional coupons may also obtain the off-peak usage discount.

Leonard does not teach or suggest awarding the winner the item whereby the winner of the item obtains a discount from the predetermined price and other non-winners pay the predetermined price without the discount. Although the discount for an off-peak user of a promotional coupon user and the discount for a regular off-peak user may vary, the proposed combination of Barzilai and Leonard, would yield a system in which all winners and all non-winners are offered some type of a discount off of the predetermined price for off-peak usage. As a result, Barzilai and Leonard, both alone and in combination with one another, fail to teach or suggest whereby the winner of the item obtains a discount from the predetermined price and other non-winners pay the predetermined price without the discount.

Applicants further submit that there is no legally proper suggestion or motivation to combine Barzilai with Leonard. One of the criteria necessary to establish a *prima facie* case of obviousness is that there must exist some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the references or to combine reference teachings. Moreover, the teaching or suggestion to make

the claimed combination must be found in the prior art, not in Applicant's disclosure. *In re Vaeck*, 947 F.2d 488, 20 USPQ 2d 1438 (Fed. Cir. 1991).

Applicants submit that neither Barzilai nor Leonard set forth any teaching, suggestion, or motivation to combine the references. Applicants further submit that there is no legally proper suggestion or motivation to combine Barzilai—a reference disclosing on-line sale and auction of goods; and Leonard—a reference disclosing a system that monitors promotional coupons for telecommunications services. As a result, the Examiner has failed to set forth a *prima facie* case of obviousness.

Furthermore, Appellants submit that the proposed combination of Barzilai and Leonard must constitute impermissible hindsight. In combining Barzilai and Leonard, the Examiner alleges that

"It would have been obvious to one of ordinary skill in the art at the time the invention was made to employ the coupon of Leonard et al with the invention of Barzilai et al to gain customers." *See* Office Action page 3, first paragraph.

For the sake of argument, even if Barzilai and Leonard may be properly combined, there is no teaching or suggestion in the references, alone or in combination, that suggests the recited claim features. To selectively pick and choose among the many disclosed elements constitutes impermissible hindsight.

Additionally and with regard to claim 71, Applicants note that the Examiner has not properly addressed the features "receiving from the one or more businesses a report indicating which bidders have redeemed certificates" and "collecting from the one or more businesses a fee, including a fee for certificates redeemed." Claim 102 includes similar features. On page 5 of the March 15, 2004 Office Action, the Examiner alleges that:

"Barzilai et al do not teach the steps of receiving an attendance report from the restaurant and collecting a fee for certificates redeemed. However, it is common in the art to charge a fee to the seller for the use of an auction web site, and it is common in the art to charge a fee only for services actually completed. It would have been obvious to one of ordinary skill in the art at the time the invention was made to employ the steps of receiving an attendance report from the restaurant and collecting a fee for certificates redeemed as an equitable method of generating revenue."

Applicants submit that the Examiner's Official Notice is unsupported by the references relied upon by the Examiner and the prior art, in general. Furthermore, even if it is common in the art to charge for on-line services completed, Barzilai, Leonard, and the Examiner's Official Notice, either alone or in combination with one another, fail to teach or suggest "receiving from the one or more businesses a report indicating which bidders have redeemed certificates." Thus, the rejection of claims 71 and 102 are improper and must be withdrawn.

Claims 6, 16, 41, 51, 72, 103 and 149-153 stand rejected under 35 U.S.C. §103(a) as allegedly being unpatentable over Barzilai et al. and Leonard et al. as applied to claims 1, 36, 71 and 102 above, and further in view of Levin et al. (U.S. 6,434,556). Applicants submit that Levin does not remedy the deficiencies of Barzilai and Leonard.

In particular, there is no legally proper suggestion or motivation to combine Barzilai and Leonard with Levin. One of the criteria necessary to establish a *prima facie* case of obviousness is that there must exist some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the references or to combine reference teachings. Moreover, the teaching or suggestion to make the claimed combination must be found in the prior art, not in Applicant's disclosure. *In re Vaeck*, 947 F.2d 488, 20 USPQ 2d 1438 (Fed. Cir. 1991).

Applicants submit that neither Barzilai and Leonard nor Levin set forth any teaching, suggestion, or motivation to combine the references. Applicants further submit that there is no legally proper suggestion or motivation to combine Barzilai and Leonard—a reference disclosing on-line sale and auction of goods and a reference disclosing promotional coupons; with Levin—a reference disclosing a system and method for presenting search results to a user. As a result, the Examiner has failed to set forth a *prima facie* case of obviousness. Therefore, claims 6, 16, 41, 51, 72, 103 and 149-153 are also allowable over the references relied upon by the Examiner.

Claims 7, 8, 24, 43, 59, 86, 106, 107 and 117 stand rejected under 35 U.S.C. §103(a) as allegedly being unpatentable over Barzilai et al. and Leonard et al. as applied to claims 1, 36, 71, 102 and 105 above, and further in view of Fisher et al. (U.S. 6,243,691). Applicants submit that Fisher does not remedy the deficiencies of Barzilai and Leonard. Additionally, Claims 7, 8, 24, 43, 59, 86, 106, 107 and 117 depend from one of the allowable independent claims 1, 36, 71, and

102. Therefore, claims 7, 8, 24, 43, 59, 86, 106, 107 and 117 are also allowable over the references relied upon by the Examiner, at least by virtue of their dependency.

Claims 75 and 76 stand rejected under 35 U.S.C. §103(a) as allegedly being unpatentable over Barzilai et al., Leonard et al., and Levin et al. as applied to claim 72 above, and further in view of Fisher et al. Applicants submit that Fisher does not remedy the deficiencies of Barzilai, Leonard, and Levin. Additionally, claims 75 and 76 depend from allowable claim 36. Therefore, claims 75 and 76 are also allowable over the references relied upon by the Examiner, at least, by virtue of their dependency.

Claims 25-28, 60-63, 89, 90, 98, 120, 121 and 129 stand rejected under 35 U.S.C. §103(a) as allegedly being unpatentable over Barzilai et al. and Leonard et al. as applied to claims 1, 36, 71 and 102 above, and further in view of Boe et al. (U.S. 6,236,975). Applicants submit that Boe does not remedy the deficiencies of Barzilai and Leonard. Additionally, claims 25-28, 60-63, 89, 90, 98, 120, 121 and 129 depend from one of the allowable independent claims 1, 36, 71, and 102. Therefore, claims 25-28, 60-63, 89, 90, 98, 120, 121 and 129 are also allowable over the references relied upon by the Examiner, at least, by virtue of their dependency.

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Having addressed each of the foregoing rejections, it is respectfully submitted that a full and complete response has been made to the Office Action and, as such, the application is in condition for allowance. Notice to that effect is respectfully requested. If the Examiner believes, for any reason, that personal communication will expedite prosecution of this application, the Examiner is invited to telephone the undersigned at the number provided.

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Respectfully submitted,

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